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SUBJECT: ECUADOR: NEW VICE PRESIDENT ROUNDS OUT CABINET

REF: QUITO 983

1. (U) Summary: Congress swore in Alejandro Serrano Aguilar as Vice President of Ecuador on May 5. Serrano hails from Ecuador's third largest city of Cuenca, providing some regional balance to a Guayaquil-centric cabinet. Serrano's swearing in leaves only the Labor portfolio still open; labor sources tell us the front-runner is a pro-labor candidate. Below is biographical information for the following new Cabinet members and government officials: Vice President Alejandro Serrano Aguilar, Minister of Environment Anita Alban, Minister of Energy Fausto Cordovez, Minister of Agriculture Pablo Rizzo, Presidential Communications Secretary Carlos Cortez, Minister of Public Works Derlis

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Palacios, Minister of Housing Rogelio Bravo, Minister of Sports Omar Cevallos, and Executive Secretary of the government's indigenous development agency CODENPE Lourdes Tiban. End Summary.

Vice President

2. (U) On May 4, Congress chose 72-year-old Alejandro Serrano Aguilar to be the next Vice President from a list of three candidates submitted by the President. Serrano's politics are considered Center-Right; he was a member of the no-longer-existing United Republican Party that put Sixto Duran Ballen in the Presidency. (Minister of Government Mauricio Gandara also played a key role in the formation of this political party.) Serrano, a native of Azuay province, is rumored to have been supported by former President Sixto Duran Ballen and Minister of Government Mauricio Gandara. (Palacio was Minister of Health under Duran Ballen.)

3. (U) Serrano took some criticism for representing the political "old guard," but in the end was supported by 63 deputies from the PSC, ID, PRE, PRIAN, DP, PSP, and independents. Palacio has said that Serrano will be in charge of organizing the dialogue roundtables that will lead to a future referendum.

4. (U) Serrano received degrees in philosophy and civil engineering at the Naval Engineering School in Madrid. Serrano served as mayor of Cuenca (1970-77) under Ecuador's military dictatorship. He has also held the following posts: municipal councilor in Cuenca, vice president of the Municipal Council, Congressman for Azuay province, Ambassador on a special mission to the Vatican (1978), and president of the Society for the Fight Against Cancer in Cuenca. He has also been a primary and secondary school teacher, rector of the Fray Vicente Solano School, and a philosophy professor at the University of Cuenca.

5. (U) Serrano was born in Cuenca, Ecuador's third largest city, on January 14, 1933. Serrano married Ana Cordero Acosta 49 years ago and has four children: Juan, Ana Maria, Catalina, and Jorge. He enjoys reading books by Cervantes and Mario Vargas Llosa, and also is a soccer fan; Serrano founded Cuenca's Sports Club.

6. (U) The President had submitted his list of three Vice Presidential candidates to Congress on May 3 consisting of Alejandro Serrano Aguilar; Berenice Cordero, a UNICEF employee and former director of the National Institute for the Child and Family under President Fabian Alarcon; and Mae Montano, a former manager of customs in Esmeraldas who also worked at the Ecuadorian Embassy in Washington.

Minister of Labor

7. (SBU) As of May 6, a Minister of Labor had not yet been named. Embassy labor contacts tell us that Galo Chiriboga, a name proposed by unions, had been offered the job, but had initially refused. However, they believe Chiriboga had reconsidered the offer imposing two conditions: that he could strengthen labor rights and that he would have the authority to modernize the Ministry of Labor. Chiriboga was president of the American Association of Jurists from 1998-2003. He has been a legal advisor to CEOSL, the largest union confederation, from 1984 to the present.

Additional Information for the Minister of Environment

18. (U) Anita Alban received her J.D. and bachelor's degree in social and political sciences from Guayaquil's Catholic University. She is currently in her first year of Social and Development Management in Guayaquil's Casa Grande University.

Minister of Energy

19. (U) Fausto Cordovez Chiriboga has been a municipal councilor for Riobamba, a deputy for Chimborazo province, and mayor of Riobamba. He was Minister of Finance under President Camilo Ponce Enriquez, Minister of Defense under Clemente Yerovi, and Minister of Agriculture under Velasco Ibarra. He also served in those Presidents' governments as acting Minister of Foreign Relations, Education, Labor, and Public Works. He was president of the National Development Bank and president of the Ecuadorian Commission of the Alliance for Progress.

110. (U) Cordovez is a former president of the Transparency Commission that investigated a theft of arms from the Armed Forces arsenal. On December 12, 2002, Cordovez led a march in Quito in a campaign for security in the city after the murder of his granddaughter. He also participated in the Civic Convergence for Democracy which was opposed to Lucio Gutierrez' government. Cordovez was born in the city of Riobamba on April 18, 1925.

Minister of Agriculture

111. (U) Pablo Rizzo Pastor is an agricultural engineer who received his degree from the University of Guayaquil's School of Agronomy and Veterinary Sciences in 1967. Rizzo has major agro-export investments on the Coast. Rizzo also vied for the post of Minister of Agriculture during the Gutierrez administration. Rizzo is currently the president of the National Federation of Chambers of Agriculture and of the National Chamber of Agricultural Engineers.

112. (U) Rizzo has also been president of the Chamber of Agriculture, executive president of the National Agriculture and Fishing Forum, and continental director of the World Association of Agricultural Engineers. Rizzo has been first vice president of the Pan-American Association of Agronomy Engineers, acting Vice Minister of Agriculture, and director of the National Development Bank. Rizzo has the support of banana exporters and the Social Christian Party (PSC), however, the association of independent banana producers has rejected Rizzo's nomination and have threatened to go on strike the week of May 9. The independent banana producers are opposed to Rizzo's nomination because they fear he will favor large exporters in setting internal banana prices, a Ministry function.

113. (U) Press noted some absences at Rizzo's induction ceremony including flower industry representatives. Diego Borja of Expoflowers, the association of flower producers and exporters, told press that Rizzo was part of former Minister of Agriculture Leonardo Escobar's inner circle, and that Rizzo just represented more of the same.

Presidential Communication Secretary

114. (U) Carlos Cortez received his economics degree from the University of Guayaquil. He served as dean of the Economics and Administration division at Guayaquil's Catholic University. He also studied planning in Spain; comparative statistics in France, the US, and Chile; and integration economics in Argentina. Cortez was a economic advisor to President Jaime Roldos, as well as secretary of public information and financial advisor to the president of the National Finance Corporation (CFN) during the same President's term. Cortez was director of the Ecuadorian Statistics and Census Institute under President Gustavo Noboa, and an economic advisor to then Vice President Palacio (2003-2004).

115. (U) He previously was director of Guayaquil's Catholic University's School of Continuing Education. Cortez taught international finance at Laica Vicente Rocafuerte University's School of Diplomacy. Cortez has also been an economic issues editor in the media. He was an editor for Sucre Cadenar Radio, and was an analyst for television station Telerama, and is a member of the editorial board of Expreso newspaper.

Executive Secretary of CODENPE

116. (U) Lourdes Tiban, the new Executive Secretary of the government's indigenous development agency CODENPE, is married to indigenous organization ECUARUNARI's vice

president, Raul Ilaquiche, a former IVP. The Palacio government has said that Tiban will have the rank of Minister. Tiban made public comments on May 4 saying that the US viewed Ecuador's indigenous movement as a threat to US interests. Tiban was Vice Minister for Social Welfare in the beginning of Lucio Gutierrez' presidency.

Minister of Public Works

17. (U) Derlis Rolando Palacios Guerrero, the new Minister of Public Works, is a civil engineer and has been a builder since 1985. He was a member of the Executive Commission of the Council on Programming Emerging Works in the Basins of the Paute River and its Tributaries (2001-2005). He was president of the Association of Professional Schools of Azuay University (2001-2002). Palacios was born on June 27, 1961 and studied at the University of Cuenca.

Minister of Housing and Urban Development

18. (U) Armando Rogelio Bravo Nunez, studied civil works and hydraulics at Guayaquil's state university. He has professional experience in designing and supervising the construction of public works. He has been president of the Manabi School of Civil Engineers and was a member of the Directorate of the Anti-corruption Commission of Manabi. He is a native of Manabi province.

Minister of Sports

19. (U) Omar Cevallos Patino is a civil engineer who received his degree from Quito's Central University. He was a vocal in the Sports Concentration of Pichincha in 1996, vice president of the Pichincha Sports Concentration between 1996-2000, and from 2000 on was the Concentration's president. Cevallos was also marketing manager at Westoil (1997-2002) and alternate provincial counselor for Pichincha province (1998-2002).

Washington Appointments

20. (U) PolChief met on May 6 with Gustavo Palacio, the President's step-brother, who has been appointed GOE representative to the IADB in Washington. The 49 year-old Palacio (youngest of six Palacio siblings from three mothers, Alfredo being the eldest) was until recently serving as Consul General in San Francisco. Married to a Spaniard and with two teenage children, Palacio grew up in Guayaquil and attended the elite Christopher Columbus school.

21. (SBU) According to Gustavo Palacio, former Vice FM Mario Aleman will be Ecuador's next Ambassador to the OAS. The Ambassador to the US has not yet been decided.

Comment

22. (SBU) In choosing Serrano for the Vice Presidency, the President sought balance with a candidate from the highlands, as Palacio and most of his Ministers are from the Coast. Presidential sources tell us that Palacio did not know Serrano personally before appointing him. This is somewhat surprising, given the propensity of VPs to conspire for the top job. Clearly, the appointment does not nothing to answer popular calls for new and more youthful faces in the Cabinet.
KENNEY